

MINUTES OF THE MEETING OF THE BOARD OF TRUSTEES OF  
THE MIAMI BEACH EMPLOYEES' RETIREMENT PLAN  
OF THE CITY OF MIAMI BEACH  
August 10, 2010

Vice-Chairman Gomez called the meeting to order at 10:05 a.m.

Board Members present were as follows:

James Boyd	Jose Cruz	
Jorge Gomez	Warren Green	Reinaldo Horday
Richard McKinnon	Jonathan Sinkes	Patricia Walker

Members absent - Hilda Fernandez

Also present were:

Steve Cypen	Legal Counsel
Rick Rivera	Pension Administrator
Robert Martinez	Assistant Pension Administrator
Kristin Tigner	Human Resources Director
Bill Cottle	Fund Consultant, Milliman Inc.
Norm Meltz	Portfolio Manager, Rhumblin
David Schwarzenberger	Portfolio Manager, WHV Inc.
Grant McMurry	Managing Director, ICC

The Administrator requested an addendum to the Consent Agenda for a request for Two (2) Years of additional creditable service for employees Atala Montejó and Martha Olin and One (1) request for payment (conferences) for pension conferences in the amount of \$1,292.26 for Warren Green.

A motion was made by Mr. Sinkes duly seconded by Ms. Walker, and unanimously

RESOLVED That the addendum to the Consent Agenda be added as presented.

A motion was made by Mr. Sinkes duly seconded by Ms. Walker, and unanimously

RESOLVED That the Consent Agenda be approved as presented, except the Requests for Payments (Conferences) Item C-13.

A motion was made by Mr. Sinkes seconded by Ms. Walker, and with Mr. Cruz, Mr. Horday, Mr. Sinkes, Ms. Walker and Mr. Boyd in favor and Mr. Green abstaining from the vote, it was

RESOLVED That Item C-13, Request for Payments for Conferences, be approved as presented.

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CONSENT AGENDA

C-1 The Minutes of the July 13, 2010 Board Meeting were approved as presented.

C-2 New Members were approved as follows -

NEW MEMBERS

<u>NAME</u>	<u>ID #</u>	<u>CLASSIFICATION</u>	<u>Union</u>	<u>HIRE</u>
Brian Gillis	19643	CD Coordinator	UNCL	07/12/2010
Wilfredo Guilarte	19642	System Administrator	UNCL	07/12/2010

C-3 New Retiree Allowances were approved as follows -

<u>Name</u>	<u>Date</u>	<u>Retirement Type</u>	<u>Monthly Amount</u>
Robert Middaugh	08/01/2010	Joint Serv. Ret. (66 2/3%)	\$6,297.47
Dennis Rutkin	08/01/2010	Joint Serv. Ret. (100%)	\$4,963.28

C-4 New Pensioner Allowances were approved as follows -

<u>Name</u>	<u>Date of Retirement</u>	<u>Ret. Type</u>	<u>Dependent upon</u>	<u>Amount</u>
Marlene Marquardt	07/01/2010	Joint 66 2/3%	R. Marquardt	\$2,768.32

C-5 Requests for Lump Sum Refunds were approved as follows -

<u>Name</u>	<u>Separation Date</u>	<u>Amount</u>	<u>Reason</u>
Mario Gonzalez-Pola	May 28, 2010	\$38,393.35	Resignation
Viviana Alemany	July 30, 2010	\$70,537.65	Resignation
Steven Tumbleson	August 6, 2010	\$14,854.39	Resignation
Olivia Almagro-Johnson	June 18, 2010	\$24,558.28	Resignation

C-6 Request for Accumulated Contribution Refund for a Named Beneficiary was approved as follows - (None)

C-7 Purchases of Creditable Service Time were approved as follows-

<u>NAME</u>	<u>DATE</u>	<u>YEAR PURCHASED</u>	<u>HOURS USED</u>	<u>CASH USED</u>	<u>LEAVE AMOUNT</u>
Monier Toussaint	12/14/2009	0.50	85.3	\$ -	\$ 1,145.50
Maria Sanchez	07/16/2010	0.50	107.48	\$ -	\$ 3,218.49

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C-8 Request for up to Two (2) years of additional creditable service were approved as follows -

NAME	SWORN				CMB	CREDITABLE SERVICE PURCHASED
	STATEMENT	PRIVATE	PRIOR	PRIOR	Application	
	SIGNED & NOTARIZED	SECTOR	GOV'T	MILITARY	Resume or Add'nl back up	
Patricia Perez	X	X			X	2.0
Daniel Cavanaugh	X			X	X	2.0
Ramon Vasallo	X	X			X	1.5
SL Moore	X			X	X	2.0
Jorge Cano	X		X		X	2.0
Kathie Brooks	X	X			X	2.0
Donnovan Ireland	X	X			X	2.0
Atala Montejo	X	X			X	1.0
Martha Olin	X	X			X	2.0

C-9 DROP applicants were approved as follows - (None)

C-10 Lump Sum Refunds Paid since the last meeting were approved as follows -

Name	Date of Check	Voucher	Check Amount	IRS Tax Payment	Tax Payment Date
Benjamin Tortor	07/16/2010	112022	\$4,935.04	\$1,233.76	07/19/2010
Marvin Lakes	07/16/2010	112023	\$2,895.49	\$723.87	07/19/2010
Ingrid Usaga	07/16/2010	112024	\$13,119.57	\$3,279.89	07/19/2010
Rima Gerhard - FBO	07/20/2010	112025	\$6,097.68	N/A	N/A

C-11 The Financial Reports were approved as presented.

## C-12 Requests for Payment

Steve Cypen- Legal Services

Legal services rendered for the month of August 2010 \$ 4,500.00

Joan Wall- Bookkeeping

services rendered for the month of August 2010 \$ 350.00

Rhumblin- Investment Management Fees

Quarterly Fees ending 6/30/10 Per. Inv.# 23VF34, \$ 18,423.86

Fiduciary Trust International- Custodian Fees

Custody Fee Qtr. 6/30/10 Inv.#63522,63515,63514,63969 \$ 12,150.73

Travlers- Fiduciary Liability

Commercial Package Per Policy# 4048R502 \$ 189.25

SBS Miami Lakes- Copier

Monthly rental fees Per Inv.# 156109308 \$ 228.56

Sharp Business Solutions- Copier

Monthly per copy fee per inv.# C705969-551 \$ 46.36

Office Depot- Supplies

Per invoice # 524317598001 \$ 94.27

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IDD- Storage Fees

Per Invoice # 051624 \$ 46.24

CMB Information Tech.- Computer & Phone Charges

Per invoice # 00018154, 00017066 June & July 2010 \$ 6,658.68

CMB Central Service- Printing & Postage

Per invoice # 00018296 dated 8/2/10 \$ 1,438.83

CMB Property Management- Maintenance

Per Inv.# 00018311 & 00018298 for June & July \$ 3,730.26

C-13 Requests for Payment (Conferences)

The Charles Hotel - Conf. & Edu.

Accommodations for Warren Green NCPERS/PATS Boston, MA \$ 1,297.86

Robert Martinez - Travel reimbursement

For annual FPPTA conf. Naples, FL June 2010 \$ 540.10

Warren Green - Conf. & Edu.

Travel Exp. Reimbursement for NCERPS/PATS \$ 1,292.26

REGULAR AGENDA

R-1 Deferred Items -

- A. IRS Code Sec. 415 by Gabriel Roeder Smith, Inc. - This item continued to remain deferred.

R-2 New Items -

- A. Actuarial Impact Statements for proposed benefit changes to the MBERP - The Board reviewed the actuarial impact statements for proposed benefit changes to the MBERP. Kristin Tigner, Assistant Human Resources Director, explained that the impact statement that excluded the CWA bargaining unit had been approved on 1<sup>st</sup> reading on July 14, 2010. She said that the impact statement that included CWA members had been produced in case the City settled contract negotiations with the CWA union.

A motion was made by Ms. Walker duly seconded by Mr. Cruz, and unanimously

RESOLVED That the actuarial impact statements dated August 3, 2010 for proposed benefit changes to the MBERP be approved as presented.

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Ms. Tigner discussed the possibility of the City Administration and the City's different bargaining units agreeing to different terms. She said that if this were to happen it would require additional actuarial impact statements. A discussion ensued regarding this matter.

A motion was made by Ms. Walker duly seconded by Mr. Cruz, and unanimously

RESOLVED            That the Administrator be authorized to request additional actuarial impact statement(s) if necessary pending any new collective bargaining agreements between the City and the City's bargaining unit(s) prior to the September 15, 2010 City Commission meeting.

- B. Discussion on Actuarial Salary increase assumption change - Ms. Tigner provided the Board a status of union negotiations where she stated that the AFSCME, GSA & Others Unions as well as Unclassified employees had agreed to a 0% COLA and Merit increase for the fiscal year's 2010 & 2011 and a 2% maximum merit increase thereafter. She said that the CWA union had conceptually agreed although the contract had not been executed. Ms. Tigner said that due to this fact would there be justification to contact the Board's Actuary and consider revising the salary assumption retroactive to fiscal year 2009-2010. A discussion ensued regarding this matter. The Administrator was instructed to write a letter to the Board's Actuary and get a written opinion on this matter.

A motion was made by Ms. Walker duly seconded by Mr. Cruz, and unanimously

RESOLVED            That the Administrator be authorized to request a written response from the Board's Actuary, Steve Palmquist, regarding his opinion about revising the actuarial salary assumption due to recently adopted collective bargaining agreements that eliminated merit and COLA increases for fiscal year 2010 and 2011.

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- C. Rhumbline ADR Fund investment in scrutinized companies in Sudan/Iran - Norm Meltz, portfolio manager for Rhumbline, stated that the separately managed S&P ADR portfolio held seven (7) issues, totaling 9% of the portfolio in Iran/Sudan investments. Mr. Cypen said that according to the Fund's investment guidelines, divestiture of these securities should be accomplished by September 10, 2010. Mr. Meltz distributed a handout with three (3) possible solutions.

The Board discussed the possible solutions. The Board decided to replace the scrutinized issues with both ADR's and US stocks within the relevant industries. Mr. Meltz said that this solution would increase the tracking error of the index fund to +/- 60 basis pts. Mr. Meltz stated that the current tracking error for the S&P ADR Index is +/- 30 basis pts. Mr. Cottle approved of this solution. A discussion ensued.

A motion was made by Ms. Walker duly seconded by Mr. Cruz, and unanimously

RESOLVED That Rhumbline Advisers be authorized to divest of scrutinized issues before September 10, 2010 and replace the securities with both ADR's and US stocks within the relevant industries.

R-3 Other Business

- A. Administrator's Report - There was no new information at this time.

R-4 Quarterly Investment Reports

- A. Bill Cottle, Milliman Inc. - Mr. Cottle went over his quarterly report for the quarter ending June 30, 2010. He said that the Fund had earned -7.5% for the quarter ending 06/30/2010 and 1.9% for the fiscal year to date. He said that the Plan had net withdrawals of (\$6.44) Million and a net investment loss of (\$28.72) Million for the quarter. Mr. Cottle said that that the Fund's ending market value at 6/30/2010 was approximately \$353 Million. Mr. Cottle went over the remainder of his report.

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- B. Equity manager presentations - Grant McMurry of I.C.C, David Schwartzengerger of Wentworth Hauser & Violich and Norm Meltz of Rhumblin went over their quarterly reports dated June 30, 2010.

R-5 For Your Information

Chairman Boyd and Mr. Cypen reviewed For Your Information.

There being no further business to discuss, a motion was made by Mr. Green duly seconded by Ms. Walker and unanimously

RESOLVED That the meeting be adjourned. The meeting was adjourned at 12:40 a.m.

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James Boyd, Chairman

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Hilda Fernandez, Secretary